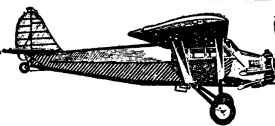


SCHOOL DISTRICT FLYER

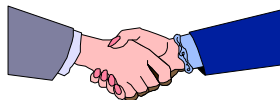


A Newsletter of the Office of the Auditor General

Issue 22

December 1999

AUDITOR GENERAL APPOINTED



Debra Davenport was appointed Arizona's Auditor General by the Joint Legislative Audit Committee (JLAC) on October 12, 1999. Debra had been serving as the Acting Auditor General since July, and served as the Deputy Auditor General for the previous eight years.

SCHOOL FINANCE ADVISORY COMMITTEE



The School Finance Advisory Committee (SFAC) was established in 1980 to review proposed revisions to the *Uniform System of Financial Records* (USFR) and USFR Memorandums, and make recommendations to our Office and the Arizona Department of Education (ADE). The SFAC is composed of 15 members who represent a cross section of school districts and organizations. New members were recently appointed for two-year terms. Following is a complete list of members and the appointing organizations.

Office of the Auditor General and ADE

Paul Christensen, Safford USD No. 1
Cheryl Crates, Madison ESD No. 38*
Karen Eyherabide, Dysart USD No. 89
Frank Powell, Whiteriver USD No. 20
Bobette Sylvester, Payson USD No. 10

Arizona School Administrators, Inc.

Brad Barrett, Kyrene ESD No. 28**

* Chair

** Vice Chair

Arizona Association of School Business Officials

Sherry Celaya, Roosevelt ESD No. 66
Rick Conrad, Cartwright ESD No. 83
Gene Gardner, Isaac ESD No. 5
Brian Mee, Murphy ESD No. 21
George Zeigler, Mesa USD No. 4

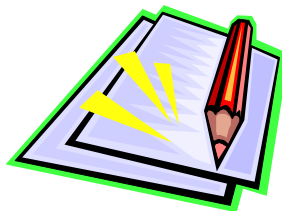
Association of County School Superintendents

Bob Bernhard, Yuma CSS Office
Scott Little, Pima CSS Office
Diana Parada, Santa Cruz CSS Office

Arizona School Board's Association

Barbara Robey

The SFAC held its first meeting on August 25, 1999, to review a preliminary copy of the 1998-99 Districtwide Annual Financial Report (AFR) and School-by-School AFR. The SFAC met again on December 1, 1999, to discuss the issue of M&O versus capital expenditures. Thank you to the new members who have agreed to serve and to all those who have served in the past.



USFR SURVEY

On October 8, 1999, we mailed surveys to all Arizona School District Business Managers seeking input on ways to improve the USFR. Surveys were due back to us on November 15. We received 78 responses and would like to thank everyone who took the time to participate. We are currently evaluating the surveys and will let you know the results in our next newsletter.



LETTERS TO WHOM?

Each year, we review audit reports and USFR Compliance Questionnaires to determine school district compliance with the requirements of the USFR. If a district is not in compliance, we issue a letter giving them 90 days to correct the deficiencies. In the past, we sent these letters to the district, County School Superintendent, and Arizona Department of Education. We are now also sending copies to state legislators whose legislative districts include a significant portion of the school district's boundaries.



QUESTION & ANSWER



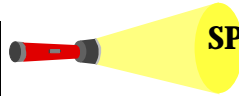
Question: What fund number should be used for the federal Class Size Reduction Program?

Answer: The Class Size Reduction Program is classified as a Title VI program. Therefore, districts should assign a fund number between 180 and 189 under ESEA, Title VI-Innovative Education Program Strategies, as outlined in the USFR Chart of Accounts.

MORE, MORE, MORE!

Your response to our request for e-mail addresses has been wonderful! We were able to e-mail the 1998-99 AFR to over 100 districts, county school offices, and other organizations much earlier than it was even available from our Web site. If you would like to jump on the bandwagon, please send us your e-mail address and we will provide you with electronic copies of future USFR Memorandums and newsletters.

Districts can send an e-mail message from their official address to Asd@auditorgen.state.az.us with a subject line of "Official District E-mail Address." Any changes to the district e-mail address should be sent to the same address with a subject line of "E-mail Address Change."



SPOTLIGHT ON DEPARTMENT OF REVENUE WEB SITE

The Arizona Department of Revenue has posted information on school tax credits on its Web site (www.revenue.state.az.us/brochure/schooltx.htm). The Web site contains a list of questions and answers related to how both the public and private tax credits work, as well as recordkeeping and filing requirements. The public school tax credit allows taxpayers to claim up to a \$200 tax credit when paying fees for the support of extracurricular activities. You may also contact the Department at (602) 255-3381, or toll-free outside the Phoenix area at (800) 352-4090.

UPDATE! UPDATE!

USFR MEMORANDUM UPDATE

Since our last newsletter, we issued USFR Memorandum Numbers 163 through 165. For your convenience, we have included with this newsletter a complete list of all USFR Memorandums still in effect as of December 1999.

If you need a copy of any of the Memorandums, please call the Accounting Services Division of our Office at (602) 553-0333 or visit our Web site at www.auditorgen.state.az.us.

SINGLE AUDIT REPORTS DUE DATE

Single audit reports for fiscal year 1998-99 are due March 31, 2000, not July 31, as in the past. The due date has been changed in accordance with the *Single Audit Act Amendments of 1996*. Districts that need a single audit for fiscal year 1998-99 and have not already contracted for one should do so as soon as possible. See USFR Memorandum No. 158 for more information.



**Happy
New Year!!**

CURRENT USFR MEMORANDUMS

As of December 1999

<u>No.</u>	<u>Title</u>
165	Fiscal Year 1998-99 Annual Financial Report and Extracurricular Activities Fees Tax Credit Form (Issued 9/15/99, Supersedes USFR Memorandum No. 157)
164	Fiscal Year 1999-2000 Revenue Budget Form (Issued 8/12/99, Supersedes USFR Memorandum No. 155)
163	Advice of Encumbrance (Issued 6/18/99, Supersedes USFR Memorandum No. 150)
162	Fiscal Year 1999-2000 School District Annual Expenditure Budget Forms, Budget Supplement, Budget Summary, Budget Work Sheets, and Truth in Taxation Hearing Notice of Tax Increase (Issued 6/8/99, Supersedes USFR Memorandum Nos. 149 and 154)
161	E-rate Reimbursements (Issued 5/12/99)
160	School District Annual Budget Revisions for Fiscal Year 1998-99: Adjustments to General Budget Limit and Total Capital Budget Limit (Issued 4/20/99, Supersedes USFR Memorandum No. 147)
159	Mileage Reimbursement (Issued 2/12/99, Amends USFR Memorandum No. 156)
158	School District Single Audits (Issued 1/15/99, Amends USFR Memorandum No. 137 Revised)
156	Reimbursement of Travel Expenses (Issued 9/2/98, Supersedes USFR Memorandum Nos. 152 and 153)
146	Extracurricular Activities Fees Tax Credit (Issued 2/16/98)
145	<i>Uniform System of Financial Records</i> (USFR) Revisions (Issued 9/9/97)
140	School District Accounting Records (Issued 5/23/97)
139	School District Biennial Audits (Issued 4/24/97)
137	School District Single Audits (Issued 12/11/96, Revised 4/24/97; Supersedes USFR Memorandum No. 123; Amended by USFR Memorandum No. 158)